

25 NOVEMBER 2021

# Thailand Market Strategy

## Thailand's export growth remains rosy in 2022

### Export growth remains a key catalyst for Thai economy in 2022

We believe that sustainable export growth should remain a key driver for Thai GDP in 4Q21-2022. Solid economic recoveries in the Euro zone, US, Japan and across Asia would likely boost demand for Thailand's goods exports, potentially stabilising the THB currency exchange rate in the range of THB32-33/USD in 2022, based on our estimate. Among the stocks under our coverage, we have identified the likely outperformers as exporters in the automotive (SAT and AH) and food & beverage (CBG, ASIAN, SNNP) sectors.

### Thailand's export growth beat market's estimate again in Oct-21

The Ministry of Commerce (MOC) reported that Thailand's exports grew 17.4% y-y to USD22.7b in Oct-21, above Bloomberg's consensus estimate of a 15-16% y-y increase. Export growth was mainly boosted by the exports of automobiles & automotive parts (+10.3% y-y) and oil-related products (+67.3% y-y), thanks to the higher demand caused by the global economic recovery and supply disruptions. Meanwhile, imports in Oct-21 jumped 34.6% y-y following the higher oil import value, which rose by 104.4% y-y due to the sharp rise in the oil price, resulting in a trade deficit of USD370.2m. For 10M21, Thai exports expanded by 15.7% y-y to USD22.2b, while imports rose 31.3% to USD22.1b, resulting in a trade surplus of USD1.64b.

### Four key drivers to support Thai export growth in 2022

Although a number of external risk factors still exist, including the high freight rate, the shipping space, container, and chip shortages, and the volatile prices of oil and steel, we remain sanguine and project Thailand's export growth to continue in 2022, potentially beating the market's estimate. We see four key drivers: 1) strong post-pandemic global trade flows – the WTO projects global trade volume growth of 10.8% y-y in 2021, up from its previous 8% y-y growth forecast in March, followed by a decent 4.7% growth rate in 2022; 2) the projected weakening THB currency exchange should offset the negative impact of the high freight rate; 3) the continued strong demand for Thai exports to primary markets (US and China); and 4) the higher global demand for auto and electronics parts should continue after the chip shortage is resolved, likely in 2022.

### OVERWEIGHT Thailand equity with our SET index target of 1,892 by end-2022

While we expect a choppy SET index due to investors' concerns over the high inflation rate that could trigger a sooner-than-expected increase in the interest rate, we believe the government's new economic taskforce will implement effective fiscal and monetary policies to drive GDP growth to over 3% y-y in 2022. We reiterate our OVERWEIGHT view on the Thai equity market with our SET index target of 1,892, based on 17.2x 2022E P/E.



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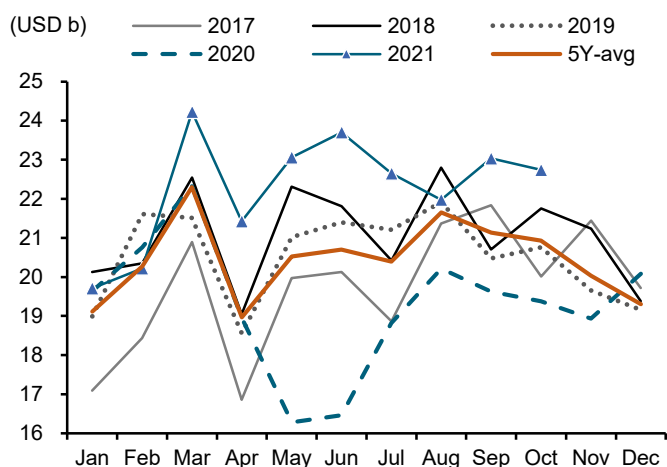
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## Thai exports to gain traction in 2022

The MOC reported that Thailand's exports grew 17.4% y-y to USD22.7b in Oct-21, above Bloomberg's consensus estimate of a 15-16% y-y increase. Export growth was mainly boosted by the exports of automobiles & automotive parts (+10.3% y-y) and oil-related products (+67.3% y-y), thanks to the higher demand caused by the global economic recovery and supply disruptions globally for the electronics, electrical, and automotive industries. This has effectively resulted in rising demand for Thai producers thanks to Thailand's much lower impact from the lockdowns and the Covid-19 pandemic than other countries.

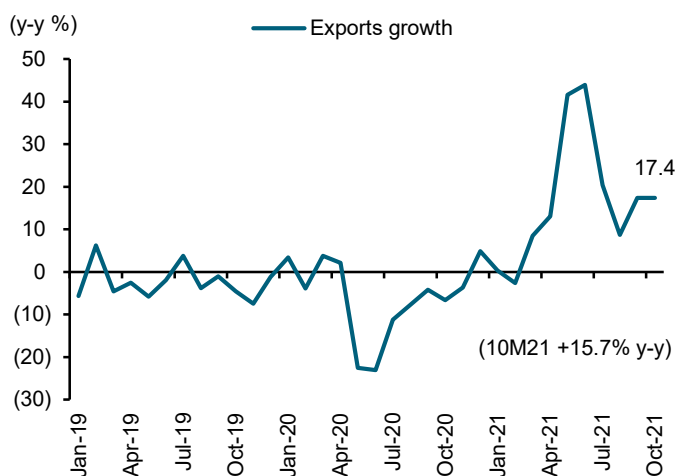
Meanwhile, Thailand's imports jumped 34.6% y-y in Oct-21 following the higher oil import value, which rose by 104.4% y-y due to the sharp rise in the oil price, resulting in a trade deficit of USD370.2m. For 10M21, Thai exports expanded by 15.7% y-y to USD22.2b, while imports rose 31.3% to USD22.1b, resulting in a trade surplus of USD1.64b.

**Exhibit 1: Thailand's export value in 2021 vs 2017-20**



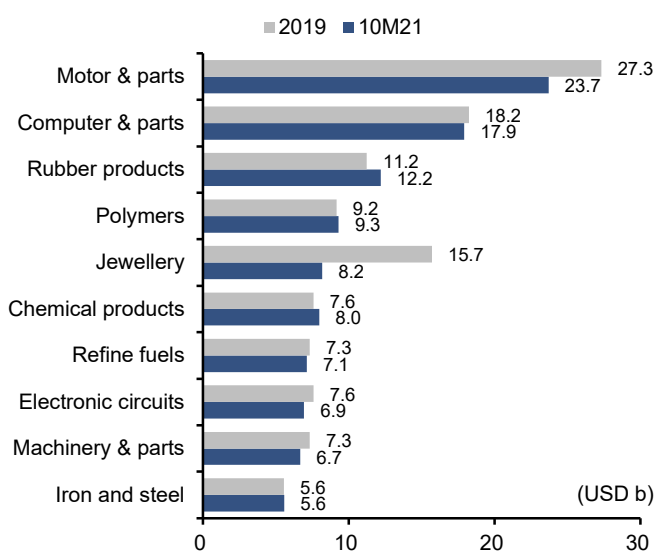
Sources: Bloomberg; FSSIA's compilation

**Exhibit 2: Thai exports rose 17.4% y-y in Oct-21**



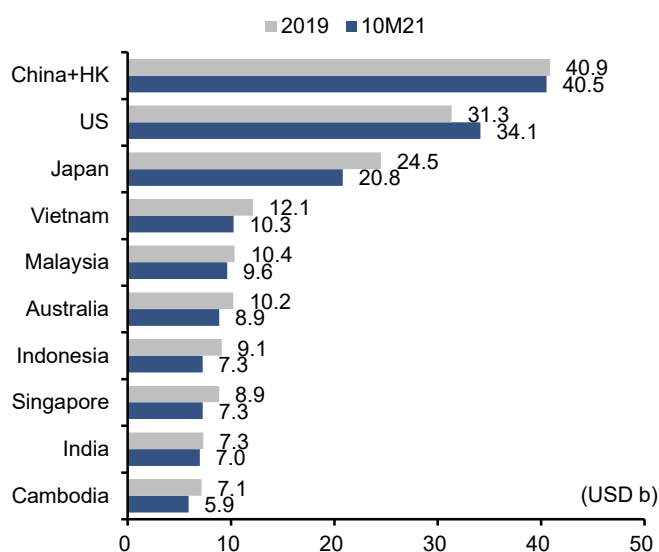
Sources: Bloomberg; FSSIA's compilation

**Exhibit 3: Thailand's top 10 export products, 2019 vs 10M21**



Sources: Ministry of Commerce; FSSIA's compilation

**Exhibit 4: Thailand's top 10 export destinations, 2019 vs 10M21**



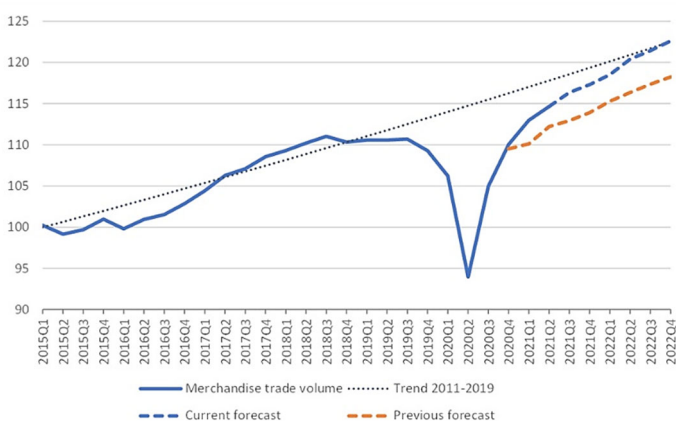
Sources: Ministry of Commerce; FSSIA's compilation

### Four key drivers to support Thai export growth in 2022

We expect Thailand’s economy to grow at 5% y-y in 2022, a slower pace from the 12% y-y growth estimated for 2021, based on Bloomberg consensus’ estimate of 5% y-y and the Thai National Shipper’s Council estimate of 5% y-y in 2022, due to the existing risk factors like the high freight rate, shortages in shipping space, containers, and computer chips, and the volatile prices of oil and steel. However, we still expect Thailand’s export growth to beat the market’s estimate due to four key drivers.

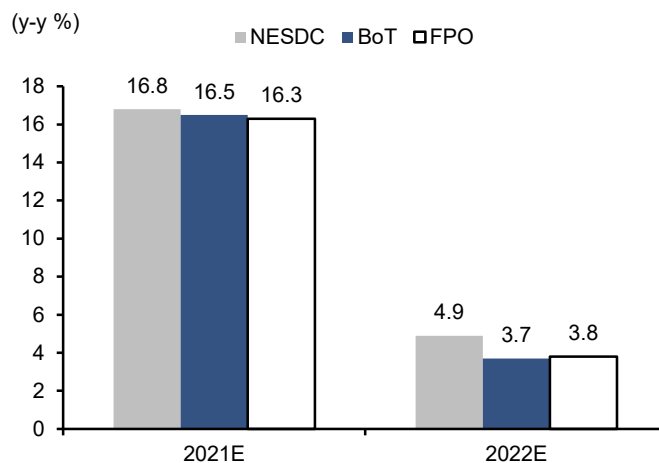
**Key driver #1: Global trade flows should continue to rapidly rebound from the pandemic.** Global trade flows should continue their rapid post-pandemic rebound from 2021-22, with Asia seeing the strongest gains in exports, while Africa could lose its growth momentum, according to the World Trade Organization (WTO). The WTO projects global trade volume growth of 10.8% y-y in 2021, up from its previous 8% y-y forecast in Mar-21, followed by a 4.7% rise in 2022. The WTO expects Asia’s exports of goods to grow by 18.8% y-y in 2022, higher than the growth seen in 2020-21 during the pandemic period, followed by 8% y-y export growth for North America and 7.8% y-y growth for European countries. Africa’s exports are likely to see the lowest export growth at 1.9% y-y, according to the WTO.

Exhibit 5: World trade flow in 1Q15-4Q22 by WTO



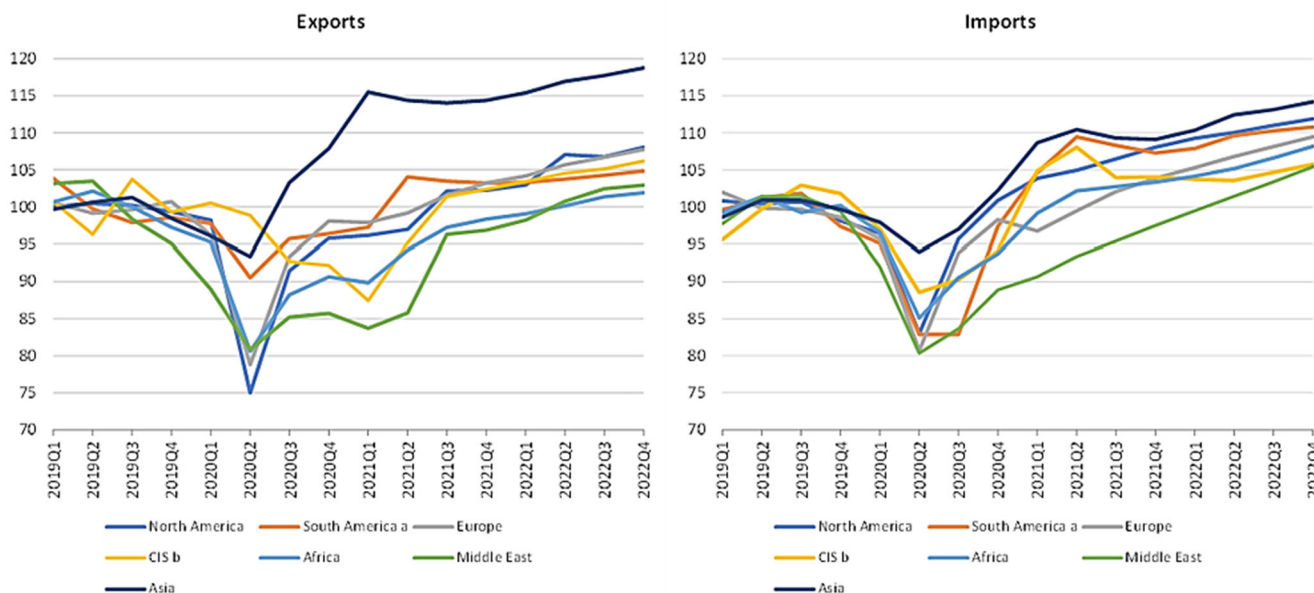
Source: WTO for forecasts

Exhibit 6: Thai export growth forecasts by key authorities



Sources: National Economic and Social Development Council (NESDC); Bank of Thailand; Ministry of Finance; FSSIA’s compilation

Exhibit 7: Merchandise exports and imports by region 1Q19-4Q22E

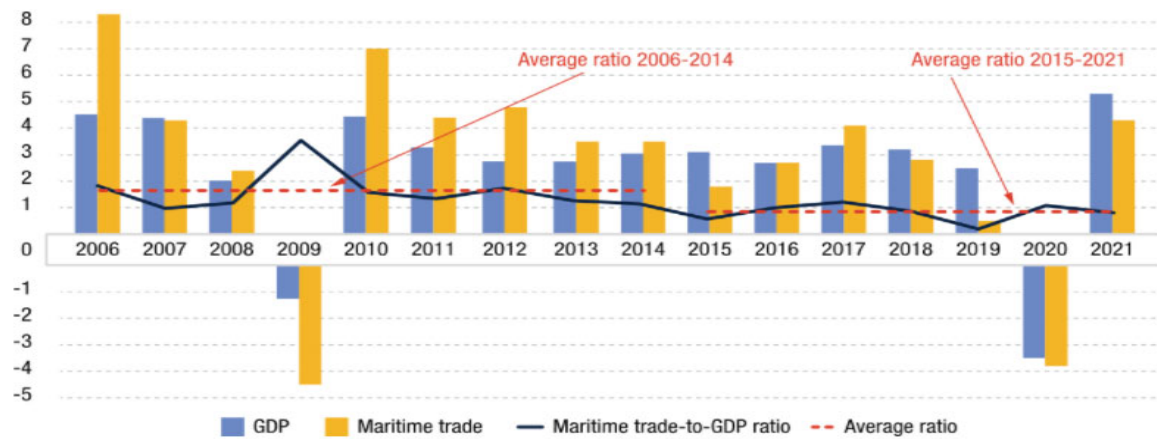


Sources: World Trade Organization (WTO) and United Nations Conference on Trade and Development (UNCTAD)

**Key driver #2: High freight rate remains on the downside, weakening Baht is an upside.** Despite the high freight rate, we believe Thai exports will continue to expand further in 2022 under the assumption that the THB/USD currency exchange rate averages THB33/USD, the oil price averages USD70/bbl, and the freight rates remain flat y-y, though still high, given the low ratio of global maritime trade-to-global GDP. This indicates that there is more room to catch up with the higher demand once the shipping disruption is resolved by 2H22, based on our estimate.

According to the United Nations Conference on Trade and Development (UNCTAD), the projected annual growth in global maritime trade between 2022 and 2026 will slow to 2.4% CAGR, compared to 2.9% CAGR over the past two decades. However, looking at the ratio of maritime trade-to-global GDP, we think there is still more room for global maritime trade to grow in 2022, as strong GDP growth should lead to pent-up demand for global maritime trade.

**Exhibit 8: International maritime trade, GDP and maritime trade-to-GDP ratio, 2006-21 (% annual change and ratio)**

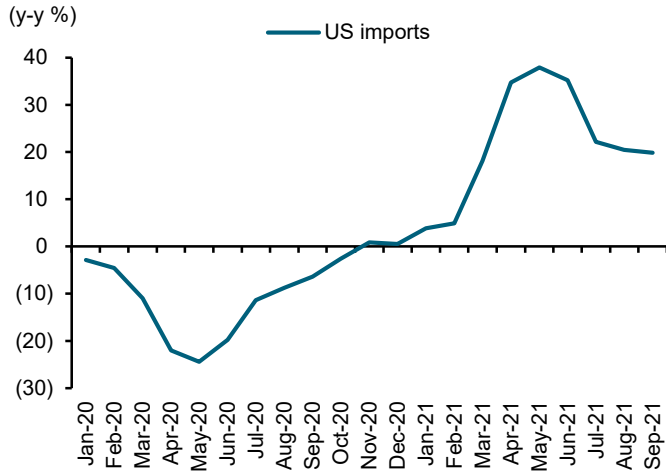


Source: UNCTAD calculations, based on the Review of Maritime Transport, various issues, data from UNCTADstat and table 1.1 of the UNCTAD Trade and Development Report 2021. From recovery to resilience: The development dimension.

Source: [UNCTAD](https://unctad.org/)

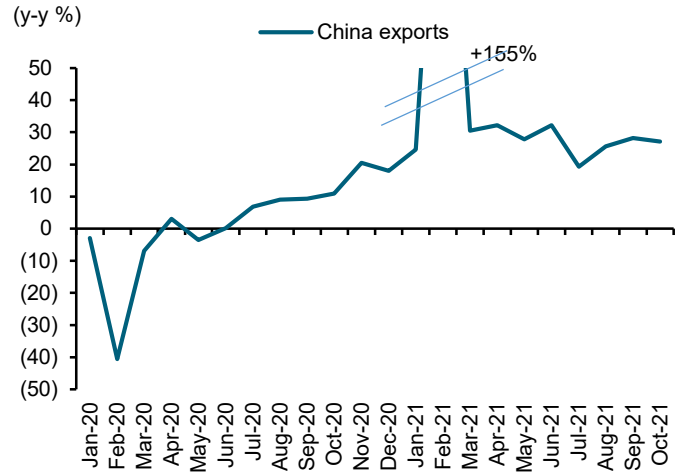
**Key driver #3: Strong demand for Thai exports to primary markets (US and China).** For Thailand, the US and China are two major export markets. Out of the total export value in 9M21, exports to the US accounted for 15.5% and exports to China accounted for 13%. We think that these two primary markets are key drivers for Thai export growth in 2022. US economic growth is projected to remain strong with a 2022 GDP growth forecast of 5.6% y-y, according to the International Monetary Fund (IMF).

**Exhibit 9: US import growth in 2021 to Sep**



Source: Bloomberg

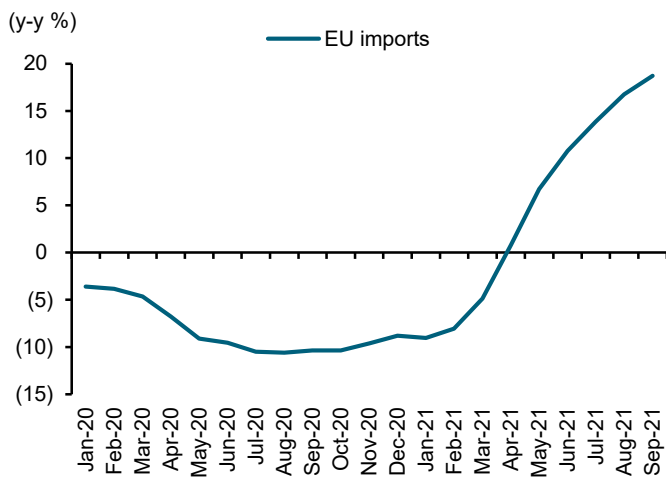
**Exhibit 10: China export growth in 2021 to Oct**



Source: Bloomberg

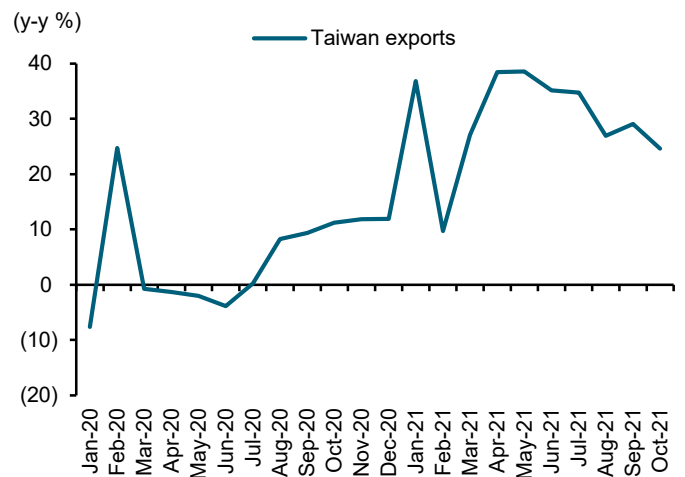
While China's economic growth may grow at a slower rate in 2022 due to lower domestic consumption, China's exports still grew in Oct-21 and its industrial sector production growth remained strong. China's Purchasing Managers Index (PMI), a leading indicator for China's manufacturing activities, surprisingly jumped to a four-month high of 50.6 in Oct-21 vs Bloomberg's consensus forecast of 50. This was thanks to domestic demand growth, which is reflected in the sub-index for total new orders, which hit its highest level since June, to offset the production cuts in certain provinces caused by the power crunch crisis during Sep-Oct 2021.

**Exhibit 11: EU import growth in 2021 to Sep**



Source: Bloomberg

**Exhibit 12: Taiwan export growth in 2021 to Oct**



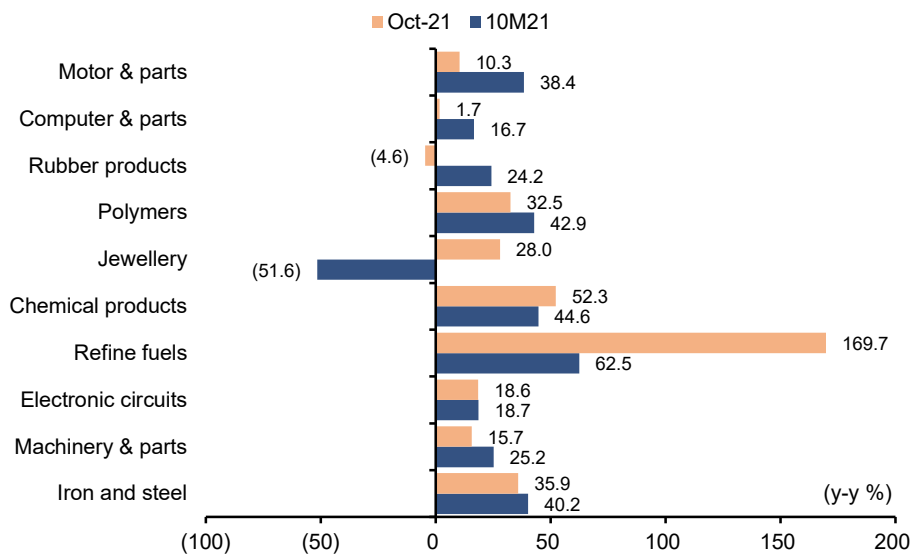
Source: Bloomberg

**Key driver #4: Higher global demand for automobiles and automotive and electronics parts to drive Thai exports in 2022.** In addition to the strong exports of agricultural and agro-industrial products, which have been rising for 11 consecutive months with a growth rate of 18.2% y-y in Oct-21, Thailand’s exports of industrial products have similarly increased for eight consecutive months with a growth rate of 13.9% y-y in Oct-21.

But the export products which have seen the most significant growth in Oct-21, at a higher or similar rate to 10M21’s, are oil-related products at +169.7% vs 10M21 at +62.5%, chemical products at +52.3% vs 10M21 at +44.6%, jewellery at +28.0% vs 10M21 at -51.6%, and electronic integrated circuits at +18.6% vs 10M21 at 18.7%.

On top of the fast-moving global megatrends of digitization and low-carbon business transformation, we think the global economic recovery in 2022 should bring about the strong demand for automobiles, equipment and parts and electrical integration circuits – the key export product groups for Thailand.

**Exhibit 13: Thai exports in Oct-21 by growth of top ten products in 10M21**



Sources: Ministry of Commerce; FSSIA’s compilation

## Winning stocks on export growth

Based on the favourable outlook for export demand growth in 2022, we think that export beneficiary stocks will have high earnings growth and visibility in 2022. The key catalysts for strong export growth in 2022 include the US and China's rising economic growth, a global economic recovery, and strong domestic demand thanks to the economic reopening and a faster vaccination rate globally.

Among the stocks under our coverage, we have identified the likely outperformers as exporters in the automotive sector, SAT and AH, and the food & beverage sector, CBG, ASIAN, and SNNP.

### Exhibit 14: Five export-oriented stocks to BUY; tactical views for Dec-21 and 2022

Stocks	BBG	Rationale on resilience in business model and strong fundamentals
AAPICO Hitech	AH TB	We still like AH given that the company is trading at a lower valuation of 6.6x in 2022E P/E vs its peers at 8x. The semi-conductor shortage should gradually improve next year or at least not be worse than this year, in our worst-case scenario. We expect its 2022 earnings to grow continuously thanks to a higher production volume and domestic car sales.
Somboon Advance Tech	SAT TB	SAT is our top pick in the auto sector as we expect the company's earnings in 2021 to be at an all-time high, which should continue in 2022. The company has a stronger GPM compared to the pre-Covid level, even though the car production numbers in 2022 could still be lower than the pre-Covid level. The company has a solid 2022E dividend yield of over 8.8%.
Carabao Group	CBG TB	After CBG reported disappointing 3Q21 results, which should be the bottom quarter, its 4Q21 performance may not be in a V-shaped recovery as in 2Q21. Hence, we recommend buying on share price weakness. We expect solid sales growth to resume in 2022 after the easing of the Covid situation in Thailand, CLMV, and China. Overall, we expect CBG to deliver solid earnings growth in 2022-23 at 22.9%/23.8%.
Srinanaporn Marketing	SNNP TB	We see a near-term catalyst from its solid 4Q21 earnings outlook, which could be the highest quarter in 2021. It is currently trading at an attractive 23x 2022E P/E, lower than its peers' average of 29x P/E. We see an upside risk from its new hemp products which could be launched in late 4Q21.
Asian Sea Corp.	ASIAN TB	We think ASIAN still has room to grow in 2022 due to 1) the new capacity line for pet food and pre-fried frozen products; and 2) the recovery of its tuna and aqua feed units. ASIAN is in a good position to ride the pet food industry's promising growth outlook. Its share price is undemanding at 12x 2022E P/E vs an average of 21.8x for its food sector peers.

Source: FSSIA estimates

### Exhibit 15: Key valuations of FSSIA's top picks

Company	BBG Code	Rec	- Share price -		Up side	----- Recurring profit -----			Profit growth		--- P/E ---		- DivYld -		--- ROE ---		-- P/BV --		EV/EBITDA	
			Current	Target		20	21E	22E	21E	22E	21E	22E	21E	22E	21E	22E	21E	22E	21E	22E
			(THB)	(THB)	(%)	(THB m)	(THB m)	(THB m)	(%)	(%)	(x)	(x)	(%)	(%)	(%)	(%)	(x)	(x)	(x)	(x)
AAPICO Hitech	AH TB	BUY	24.20	29.00	20	146	910	1,143	523.5	25.6	9.4	7.5	3.7	4.7	11.7	13.5	1.1	1.0	10.4	8.8
Somboon Advance Tech	SAT TB	BUY	22.40	29.00	29	385	964	1,117	150.1	15.9	9.9	8.5	7.1	8.3	13.0	14.0	1.2	1.2	4.9	4.3
Carabao Group	CBG TB	BUY	119.00	158.00	33	3,525	3,017	3,709	(14.4)	22.9	39.4	32.1	1.1	1.3	28.7	31.3	10.7	9.4	26.9	22.3
Asian Sea Corp.	ASIAN TB	BUY	17.00	24.10	42	715	1,004	1,089	40.5	8.4	13.8	12.7	3.6	3.9	25.9	24.0	3.2	2.9	10.8	9.8
Srinanaporn Marketing	SNNP TB	BUY	11.80	15.00	27	94	292	502	211.6	71.7	38.8	22.6	2.2	2.7	20.7	18.6	4.4	4.0	16.2	13.4

Share prices as of 24 Nov 2021

Source: FSSIA estimates

## Corporate Governance report of Thai listed companies 2020

EXCELLENT LEVEL										
AAV	ADVANC	AF	AIRA	AKP	AKR	ALT	AMA	AMATA	AMATAV	ANAN
AOT	AP	ARIP	ARROW	ASP	BAFS	BANPU	BAY	BCP	BCPG	BDMS
BEC	BEM	BGRIM	BIZ	BKI	BLA	BOL	BPP	BRR	BTS	BWG
CENTEL	CFRESH	CHEWA	CHO	CIMBT	CK	CKP	CM	CNT	COL	COMAN
COTTO	CPALL	CPF	CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC
DV8	EA	EASTW	ECF	ECL	EGCO	EPG	ETE	FNS	FPI	FPT
FSMART	GBX	GC	GCAP	GEL	GFPT	GGC	GPSC	GRAMMY	GUNKUL	HANA
HARN	HMPRO	ICC	ICI	III	ILINK	INTUCH	IRPC	IVL	JKN	JSP
JWD	K	KBANK	KCE	KKP	KSL	KTB	KTC	LANNA	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	METCO	MFEC	MINT
MONO	MOONG	MSC	MTC	NCH	NCL	NEP	NKI	NOBLE	NSI	NVD
NYT	OISHI	ORI	OTO	PAP	PAP	PCSGH	PDJ	PG	PHOL	PLANB
PLAT	PORT	PPS	PR9	PREB	PRG	PRM	PSH	PSL	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QTC	RATCH	RS	S	S & J	SAAM
SABINA	SAMART	SAMTEL	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SDC
SEAFCO	SEOIL	SE-ED	SELIC	SENA	SIRI	SIS	SITHAI	SMK	SMPC	SNC
SONIC	SORKON	SPALI	SPI	SPRC	SPVI	SSSC	SST	STA	SUSCO	SUTHA
SVI	SYMC	SYNTEC	TACC	TASCO	TCAP	TFMAMA	THANA	THANI	THCOM	THG
THIP	THRE	THREL	TIP	TIPCO	TISCO	TK	TKT	TTB	TMILL	TNDT
TNL	TOA	TOP	TPBI	TQM	TRC	TRC	TSC	TSR	TSTE	TSTH
TTCL	TTW	TU	TVD	TVI	TVO	TWPC	U	UAC	UBIS	UV
VGI	VIH	WACOAL	WAVE	WHA	WHAUP	WICE	WINNER	TRUE		

VERY GOOD LEVEL										
2S	ABM	ACE	ACG	ADB	AEC	AEONTS	AGE	AH	AHC	AIT
ALLA	AMANAHA	AMARIN	APCO	APCS	APURE	AQUA	ASAP	ASEFA	ASIA	ASIAN
ASIMAR	ASK	ASN	ATP30	AUCT	AWC	AYUD	B	BA	BAM	BBL
BFIT	BGC	BJC	BJCHI	BROOK	BTW	CBG	CEN	CGH	CHARAN	CHAYO
CHG	CHOTI	CHOW	CI	CIG	CMC	COLOR	COM7	CPL	CRC	CRD
CSC	CSP	CWT	DCC	DCON	DDD	DOD	DOHOME	EASON	EE	ERW
ESTAR	FE	FLOYD	FN	FORTH	FSS	FTE	FVC	GENCO	GJS	GL
GLAND	GLOBAL	GLOCON	GPI	GULF	GYT	HPT	HTC	ICN	IFS	ILM
IMH	INET	INSURE	IRC	IRCP	IT	ITD	ITEL	J	JAS	JCK
JCKH	JMART	JMT	KBS	KCAR	KGI	KIAT	KOOL	KTIS	KWC	KWM
L&E	LALIN	LDC	LHK	LOXLEY	LPH	LRH	LST	M	MACO	MAJOR
MBAX	MEGA	META	MFC	MGT	MILL	MITSIB	MK	MODERN	MTI	MVP
NETBAY	NEX	NINE	NTV	NWR	OCC	OGC	OSP	PATO	PB	PDG
PDI	PICO	PIMO	PJW	PL	PM	PPP	PRIN	PRINC	PSTC	PT
QLT	RCL	RICHY	RML	RPC	RWI	S11	SALEE	SAMCO	SANKO	SAPPE
SAWAD	SCI	SCP	SE	SEG	SFP	SGF	SHR	SIAM	SINGER	SKE
SKR	SKY	SMIT	SMT	SNP	SPA	SPC	SPCG	SR	SRICHA	SSC
SSF	STANLY	STI	STPI	SUC	SUN	SYNEX	T	TAE	TAKUNI	TBSP
TCC	TCMC	TEAM	TEAMG	TFG	TIGER	TITLE	TKN	TKS	TM	TMC
TMD	TMI	TMT	TNITY	TNP	TNR	TOG	TPA	TPAC	TPCORP	TPOLY
TPS	TRITN	TRT	TRU	TSE	TVT	TWP	UEC	UMI	UOBKH	UP
UPF	UPOIC	UT	UTP	UWC	VL	VNT	VPO	WIJK	WP	XO
YUASA	ZEN	ZIGA	ZMICO							

GOOD LEVEL										
7UP	A	ABICO	AJ	ALL	ALUCON	AMC	APP	ARIN	AS	AU
B52	BC	BCH	BEAUTY	BGT	BH	BIG	BKD	BLAND	BM	BR
BROCK	BSBM	BSM	BTNC	CAZ	CCP	CGD	CITY	CMAN	CMO	CMR
CPT	CPW	CRANE	CSR	D	EKH	EP	ESSO	FMT	GIFT	GREEN
GSC	GTB	HTECH	HUMAN	IHL	INOX	INSET	IP	JTS	JUBILE	KASET
KCM	KKC	KUMWEL	KUN	KWG	KYE	LEE	MATCH	MATI	M-CHAI	MCS
MDX	MJD	MM	MORE	NC	NDR	NER	NFC	NNCL	NPK	NUSA
OCEAN	PAF	PF	PK	PLE	PMTA	POST	PPM	PRAKIT	PRECHA	PRIME
PROUD	PTL	RBF	RCI	RJH	ROJNA	RP	RPH	RSP	SF	SFLEX
SGP	SISB	SKN	SLP	SMART	SOLAR	SPG	SQ	SSP	STARK	STC
SUPER	SVOA	TC	TCCC	THMUI	TIW	TNH	TOPP	TPCH	TIPIP	TPLAS
TTI	TYCN	UKEM	UMS	VCOM	VRANDA	WIN	WORK	WPH		

## Description

## Score Range

Excellent

90-100

Very Good

80-89

Good

70-79

## Disclaimer:

The disclosure of the survey results of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey results may be changed after that date. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such survey results.

\* CGR scoring should be considered with news regarding wrong doing of the company or director or executive of the company such unfair practice on securities trading, fraud, and corruption SEC imposed a civil sanction against insider trading of director and executive; \*\* delisted

Source: Thai Institute of Directors Association (IOD); FSSIA's compilation



## Anti-corruption Progress Indicator 2020

CERTIFIED										
2S	ADVANC	AI	AIE	AIRA	AKP	AMA	AMANAH	AP	AQUA	ARROW
ASK	ASP	AYUD	B	BAFS	BANPU	BAY	BBL	BCH	BCP	BCPG
BGC	BGRIM	BJCHI	BKI	BLA	BPP	BROOK	BRR	BSBM	BTS	BWG
CEN	CENTEL	CFRESH	CGH	CHEWA	CHOTI	CHOW	CIG	CIMBT	CM	CMC
COL	COM7	CPALL	CPF	CPI	CPN	CSC	DCC	DELTA	DEMCO	DIMET
DRT	DTAC	DTC	EASTW	ECL	EGCO	FE	FNS	FPI	FPT	FSS
FTE	GBX	GC	GCAP	GEL	GFPT	GGC	GJS	GPSC	GSTEEL	GUNKUL
HANA	HARN	HMPRO	HTC	ICC	ICHI	IFS	INET	INSURE	INTUCH	IRPC
ITEL	IVL	K	KASET	KBANK	KBS	KCAR	KCE	KGI	KKP	KSL
KTB	KTC	KWC	L&E	LANNA	LHFG	LHK	LPN	LRH	M	MAKRO
MALEE	MBAX	MBK	MBKET	MC	MCOT	MFC	MFEC	MINT	MONO	MOONG
MPG	MSC	MTC	MTI	NBC	NEP	NINE	NKI	NMG	NNCL	NSI
NWR	OCC	OCEAN	OGC	ORI	PAP	PATO	PB	PCSGH	PDG	PDI
PDJ	PE	PG	PHOL	PL	PLANB	PLANET	PLAT	PM	PPP	PPPM
PPS	PREB	PRG	PRINC	PRM	PSH	PSL	PSTC	PT	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QLT	QTC	RATCH	RML	RWI	S & J
SABINA	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SEAOIL	SE-ED	SELIC
SENA	SGP	SIRI	SITHAI	SMIT	SMK	SMPC	SNC	SNP	SORKON	SPACK
SPC	SPI	SPRC	SRICHA	SSF	SSSC	SST	STA	SUSCO	SVI	SYNTEC
TAE	TAKUNI	TASCO	TBSP	TCAP	TCMC	TFG	TFI	TFMAMA	THANI	THCOM
THIP	THRE	THREL	TIP	TIPCO	TISCO	TKT	TTB	TMD	TMILL	TMT
TNITY	TNL	TNP	TNR	TOG	TOP	TPA	TPCORP	TPP	TRU	TSC
TSTH	TTCL	TU	TVD	TVI	TVO	TWPC	U	UBIS	UEC	UKEM
UOBKH	UWC	VGI	VIH	VNT	WACOAL	WHA	WHAUP	WICE	WIJK	XO
ZEN	TRUE									

DECLARED										
7UP	ABICO	AF	ALT	AMARIN	AMATA	AMATAV	ANAN	APURE	B52	BKD
BM	BROCK	BUI	CHO	CI	COTTO	DDD	EA	EFORL	EP	ERW
ESTAR	ETE	EVER	FSMART	GPI	ILINK	IRC	J	JKN	JMART	JMT
JSP	JTS	KWG	LDC	MAJOR	META	NCL	NOBLE	NOK	PK	PLE
ROJNA	SAAM	SAPPE	SCI	SE	SHANG	SINGER	SKR	SPALI	SSP	STANLY
SUPER	SYNEX	THAI	TKS	TOPP	TRITN	TTA	UPF	UV	WIN	ZIGA

Level	
Certified	This level indicates practical participation with thoroughly examination in relation to the recommended procedures from the audit committee or the SEC's certified auditor, being a certified member of Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) or already passed examination to ensure independence from external parties.
Declared	This level indicates determination to participate in the Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC)

**Disclaimer:**

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, FSS International Investment Advisory Company Limited does not confirm, verify, or certify the accuracy and completeness of the assessment results.

Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of June 24, 2019) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Source: The Securities and Exchange Commission, Thailand; \* FSSIA's compilation

## GENERAL DISCLAIMER

### ANALYST(S) CERTIFICATION

#### Songklod Wongchai FSS International Investment Advisory Securities Co., Ltd

The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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Company	Ticker	Price	Rating	Valuation & Risks
AAPICO Hitech	AH TB	THB 24.20	BUY	Key downside risks to our P/E-derived TP include lower-than-expected car production volumes and lower car sales in both Thailand and Malaysia. Additional downside risks include a faster-than-expected EV adoption rate in Thailand, and exchange rate risk.
Somboon Advance Technology	SAT TB	THB 22.40	BUY	The key downside risks to our P/E-based TP are the domestic car manufacturing industry recovering more slowly than expected, a slower-than-expected adoption rate for electric vehicles in Thailand, and worse global demand for pickup trucks.
Carabao Group	CBG TB	THB 119.00	BUY	The key downside risks to our DCF-based TP are 1) slower-than-expected sales growth in Myanmar, Cambodia, and the vitamin C drink market; 2) a decrease in domestic energy drink market share; and 3) higher-than-expected SG&A expenses from overseas operations, such as in China and the UK.
Asian Sea Corporation	ASIAN TB	THB 17.00	BUY	Downside risks to our P/E based TP would be 1) a stronger-than-expected THB against USD; and 2) the high volatility of raw material prices, such as tuna and squid prices, which could hurt the company's GPM.
Srinanaporn Marketing	SNNP TB	THB 11.80	BUY	The key downside risks to our DCF-based TP are 1) slower-than-expected demand growth and market penetration overseas, especially in Cambodia and Vietnam; 2) a lower-than-expected profit margin due to high raw material and transportation costs; and 3) higher-than-expected SG&A expenses from overseas operations.

Source: FSSIA estimates

### Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited

FSSIA may incorporate the recommendations and target prices of companies currently covered by FSS Research into equity research reports, denoted by an 'FSS' before the recommendation. FSS Research is part of Finansia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 24-Nov-2021 unless otherwise stated.

## RECOMMENDATION STRUCTURE

### Stock ratings

Stock ratings are based on absolute upside or downside, which we define as  $(\text{target price}^* - \text{current price}) / \text{current price}$ .

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

\* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

## Industry Recommendations

**Overweight.** The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

**Neutral.** The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

**Underweight.** The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

## Country (Strategy) Recommendations

**Overweight (O).** Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

**Neutral (N).** Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

**Underweight (U).** Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.